



TEXAS
Health and Human
Services Commission

MEDICAID BUY-IN

May 2009

About Medicaid Buy-In

- The Medicaid Buy-In Program (MBI) offers affordable health care coverage to people with disabilities who work and earn a paycheck.
- They might be able to “buy in” to Medicaid coverage by paying a monthly premium.

Medicaid Buy-In benefits

The Medicaid Buy-In program offers all the same services regular Medicaid offers. These include:

- Office visits
- Hospital stays
- X-rays
- Vision services
- Hearing services
- Prescriptions
- A person in MBI also can get **Primary Home Care** and **Day Activity and Health Services**, if they meet the functional requirements for these programs.

How to apply (part 1)

To apply for Medicaid Buy-In, a person has to complete one of these applications:

- The H1010-E Integrated Application.
- Any of the H1200 Applications for Assistance in the Aged and Disabled series.

How to apply (part 2)

To get an application:

- Call 2-1-1.
- Visit your local HHSC benefits office.
- Visit www.YourTexasBenefits.com. Click on “Request an application.” Then click on the “Integrated Application.”

NOTE: On the 1010 Integrated Application, check the box for “Medicaid for the Elderly and People with Disabilities.” Write “MBI” at the top of the application.

Basic MBI eligibility (part 1)

- There is no age limit.
- A person must be a Texas resident.
- A person must reside in the community or intend to return.
- A person must be disabled or age 65 or older.

NOTE: A person cannot be in the Medicaid Buy-In program and get long-term care waiver services at the same time.

Basic MBI eligibility (part 2)

Income restrictions

- A person must be working and earning at least \$1,090 in 2009, over a three month period.
- A person must have countable resources less than or equal to \$5,000.
- A person must have countable monthly earned income less than 250% of the federal poverty limit (FPL), which is currently \$2,257.
- We do not consider unearned income to determine eligibility, but we do consider it when we calculate the monthly premium.

Eligibility: Disability

- If a person already gets disability benefits from the Social Security Administration, they automatically meet the disability criteria.
- If a person does not already get disability benefits from the Social Security Administration, the Health and Human Services Commission's Disability Determination Unit will process the application using **Social Security Administration (SSA) disability criteria** . They won't consider earned income.

Eligibility: **Resources (part 1)**

A person's countable resources must be equal to or less than \$5,000.

(The Social Security Resource limit is \$2,000. Plus, there is an additional \$3,000 Medicaid Buy-In Resource Exclusion. This makes a total of \$5,000.)

Eligibility: Resources (part 2)

We don't consider these resources to determine eligibility:

Retirement related accounts

including IRAs, 401(k)s, Tax Sheltered Annuities (TSAs), and KEOGHs that comply with IRS regulations.

PASS resources

These are resources set aside as part of a Health and Human Services Commission-approved Plan to Achieve Self-Support (PASS), as long as the plan is in effect. Any monies set aside for a PASS must be identifiable from other funds.

Independence Accounts

An Independence Account is a designated, segregated account in a financial institution used to save for future health care and work-related expenses for the purpose of increasing a person's independence and employment potential. A person may deposit up to 50 percent of their gross earned income for a Social Security Administration Qualifying Quarter into the account and the funds may only be used to pay for health care or work-related expenses.

Eligibility: **Income minimum**

For 2009, a person's minimum income must be \$1090 a quarter.

A person's earnings and FICA contributions must be enough in a calendar quarter* for the Social Security Administration (SSA) to count the quarter as a Qualifying Quarter. For 2009, this amount is at least \$1090 a quarter.

*A Social Security Administration (SSA) Qualifying Quarter is a three-month period that ends on March 31, June 30, Sept. 30 and Dec. 31 each year.

Eligibility: **Income maximum**

For 2009, a person's countable earned income must be less than \$2,257 a month.

- There are certain allowable income exclusions:
 - Earned income tax credit payments and child tax credit payments.
 - Up to \$30 of earned income in a month, if infrequent or irregular.
 - Earned income of blind or disabled student children, subject to a monthly and yearly limit.
 - \$20 monthly general income exclusion.
 - Earned Income used to pay Impairment Related Work Expenses (IRWE) and Blind Work Expenses (BWE) – subject to reasonable limits.
 - Income set aside and used to fulfill an HHSC-approved PASS.
 - \$65 + one half of the remainder monthly earned income exclusion.

Eligibility: How much can a person earn?

This is an example of a common income calculation. Note that it does not include other potentially allowable exclusions, such as an IRWE, PASS, or BWE.

$$\begin{aligned} & \$4,000 \text{ a month's gross earned income} \\ & - \underline{\quad 20} \text{ (monthly general income exclusion)} \\ & \$3,980 \\ & - \underline{\quad 65} \text{ (monthly earned income exclusion)} \\ & \$3,915 / 2 \\ \\ & = \$1,957.50 < \$2,257 \end{aligned}$$

This person passes the income test for the Medicaid Buy-In program.

How to determine premiums

- We determine monthly premiums by examining both unearned and earned income.
- The unearned income premium is the amount of unearned income that exceeds the SSI federal benefit rate, which is currently \$674 a month.
- The earned income premium amount is equal to gross income, minus mandatory payroll deductions and is charged if net pay exceeds 150% of FPL (\$1,354 for 2009).
- We determine the total premium amount by adding the unearned premium and the earned income premium together.

Premiums: Unearned income

- ❖ If a person has unearned income below \$674 and earns less than \$1,354, then the premium amount is \$0.
- ❖ If a person has no unearned income, then the premium is based on earned income only. The most a person without any unearned income will pay is currently \$40.

Premiums: **Earned income**

- The earned income premium amount is based on a sliding scale. (See next slide.)
- All participants whose net pay is over 150% of Federal Poverty Level (FPL) have to to pay an amount (\$20-\$40) based on their earned income.

The earned-income premium sliding scale

	\$0	Less than or equal to \$1,354
150%-185%FPL	\$20	Greater than \$1,354 up to and including \$1,670
185%-200%FPL	\$25	Greater than \$1,670 up to and including \$1,805
200%-250%FPL	\$30	Greater than \$1,805 up to and including \$2,257
>250% FPL	\$40	Greater than \$2,257

Premiums: Putting it all together

1. First, we calculate the **unearned income premium** amount, which is all unearned income over the SSI federal benefit rate (\$674 as of 2009).

$$\begin{array}{r} \$700 \text{ Gross Unearned Income} \\ - 674 \\ \hline \mathbf{\$ 26 \text{ Unearned income premium}} \end{array}$$

2. Then we determine the person's **net earned Income** (gross income, minus mandatory payroll deductions) and see how it falls on the sliding scale.

For example, as the sliding scale chart (slide 15) shows, **net** earnings of \$2000 a month equals a monthly **earned income premium amount of \$30**.

3. Finally, add the unearned premium amount to the earned income premium amount.

$$\begin{array}{r} \$26 \text{ Unearned Income Premium} \\ +30 \text{ Earned Income Premium} \\ \hline \mathbf{\$56 \text{ Total Premium Amount}} \end{array}$$

Premiums: Payments and eligibility

- We don't establish eligibility until the person pays the first premium.
- Applicants will get a notice that shows the amount of the premium and the premium due date.
- Medicaid Buy-In coverage can start as early as the first day of the third calendar month before the application file date.
- Monthly premiums are due at the end of each month.
- If we don't get the payment by the end of the month, we will end the coverage at the end of the next month.

How members get services

People in the Medicaid Buy-In program will get their services through one of the following models, depending on where they live:

- Traditional Medicaid (fee-for-service).
- Primary Care Case Management (PCCM).
- A Managed Care Organization.

The right to appeal

- Any applicant dissatisfied with the Health and Human Services Commission's decision concerning their eligibility for medical assistance has the right to appeal through the appeal process established by the Health and Human Services Commission.
- The appeal process is outlined in the HHSC Fair Hearings and Fraud Handbook at <http://www.dads.state.tx.us/handbooks/FFHH>.

For more information:

You can go to either of these websites:

- Medicaid Buy-In Program Frequently Asked Questions:
http://www.hhsc.state.tx.us/medicaid/Buy_In_QNA.html
- Employment and Disabilities Connections (EDC):
<http://www.dars.state.tx.us/edc/>